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Providence, R. I.**

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Income Taxes.

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and Trust Funds in New York,  
and all the New England  
States.

Price 98 1/4 and interest

**FINANCIAL NEWS  
AND COMMENT**

Stock Market Probably Dis-  
counted Democratic Vic-  
tory Before Election.

**NO SLUMP AS EXPECTED**

Instead Shares Remained Mod-  
erately Firm After Tues-  
day's Results.

With the election day upsets throughout the country it was perhaps thought surprising that the financial markets failed to pay more attention to political developments last week. One thing is certain, Wall Street came to business on Wednesday with a feeling of certainty that the stock market at least would take a bad drop as a protest against the Democratic landslide.

Nothing of the sort happened. On the other hand, stocks after a moment of early weakness were strong the rest of the day and moderately firm the remainder of the week. It is more likely that in the drastic reaction which ran for a fortnight and more prior to the election, a great deal of what the financial community pleases to call unfavorable in the results of the balloting was discounted.

**Political "Factors" Streaked.**

The narrowing down of the Republican majority in Congress to a point where the so-called independent and progressive members are more or less representative of the balance of power has served to revive interest in such things as the soldiers' bonus, the tariff and other national questions in which all Street has a vital interest. So far there has been nothing since the election except the whispers of professional speculators to indicate that the soldiers' bonus proposal is once more a menace. As for the tariff, it is probably generally agreed that there is no likelihood of a change prior to the Presidential election in 1924. So for the moment at least it is a bit difficult to understand why any one should have expected a market debacle following the election.

Another factor about which much discussion was heard last week and which, while extremely delicate, has yet to assume the proportions of an international menace, was a revival of the Turkish affair in the Near East. Stories of clashes with British soldiers were received, but were too vague to have any important effect marketwise.

The extreme weakness in foreign exchanges during the last week was attributed to some extent to the new concern felt regarding the Turkish situation. Some of it may have been that, but it must be remembered that the most serious developments of the last week came after the continental rates had touched their lowest points of the year and had again rallied. Also it must be borne in mind that economic developments within France and Germany are in themselves sufficient to cause violent moves in foreign exchange rates.

**High Price for Sterling.**  
Sterling touched a high last week of approximately 4.47, within about four cents of its year's top, and the lowest point at which it sold during the week up to Friday evening was 4.44 1/2, about 27 cents above the year's low. Also it must be borne in mind that economic situation actually had been behind the weakness in foreign money, sterling would have shown more of a tendency toward weakness. France on the other hand, made a new low for the year at 6.18, which compares with the year's high record of 5.87, established in April. Marks at 1% hundredths of a cent were again at a new low figure, but new lows in German currency have become commonplace affairs and now they fall to attract more than passing interest.

Further indication of the progress of business expansion and improvement was furnished last week by the unfilled tonnage figures of the United States Steel Corporation, showing a gain of more than 210,000 tons, notwithstanding a substantial increase in the ratio of operations. Of equal interest in pointing to the steady expansion with its consequent absorption of funds was the Federal Reserve Bank's weekly statement, revealing further big increases in the amount of currency outstanding. It remains to be seen more or less a blow to those who have been confidently predicting substantial easing in the money rate at this center. As long as expansion of the sort contained in last Thursday's report from the reserve bank continues there can be no basis for expecting lower money rates.

**Car Shortage Grows.**  
One more straw in the wind was the report of a record shortage of freight cars. The weekly report of the American Railway Association showing offerings of freight in excess of available cars by about 179,000 cars probably was due more to further business improvement, than to the condition of car movement.

A renewal of activity on the part of directors of various corporations in declaring stock dividends drew interest once more to the possibility of new tax legislation next year which would place a heavy tax on surtaxes. It was of limited interest, however, that this movement should have spread to banks. There are many institutions in the banking field which have built up enormous surplus funds and it is to be expected that some of this sort of thing will come along with considerable regularity between now and the new year.

The effect in the future of this rush to capitalize undistributed surplus is an interesting question.

Whether it is a necessary step in the avoidance of heavier tax is another question.

Treasury officials have intimated that there is small likelihood of such legislation being adopted. At the same time certain members of Congress are pushing rapidly for an increase in one or two of the excises about the amount of revenue which is being lost to the Government through failure to utilize this source, so big corporations have determined to take care of themselves and are now distributing these balances.

In these cases where old dividend rates are being maintained on the increased stock, it makes no difference to either the stockholders or the company.

**TOTAL TRANSACTIONS ON THE NEW YORK STOCK EXCHANGE**

WEEK ENDED NOVEMBER 11, 1922.

1922. 1921. 1920.  
4,065,797 2,475,477 6,584,951

1922. 1921. 1920.  
230,304,393 143,360,147 188,985,366

**London Recovers  
After Depression**

**Mexican Eagle Oil Makes New  
Low Record to Delight  
of Bears.**

*Special Cable to THE NEW YORK HERALD.  
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New York Herald Bureau.)*

*London, Nov. 12.*

While the stock market closed more cheerful than it had been all the week, on the easing of the situation in the Near East and the rally in francs and marks, business was extremely quiet and the disposition was to await developments.

British gilt edge securities finished firm and home rails after giving way all around regained a good lead over the losses. Buoyancy in Argentine rails was again a feature. This market was affected by the general shake-out, but the rise was soon resumed and substantial gains were shown on the week in all leading stocks.

Opening Friday with a general display of strength, mines presenting a fairly firm front, industrial securities being irregular, and advances factors chief of which were the increases of French exchange, but the bears continued to bid in operations in the oil section profitable. Mexican Eagle oil was again the center of interest and the new low record since the boom of 1919 cannot be wholly ascribed to Paris liquidation. A considerable amount of selling was done on London account and with the financial year ending in December the dealers already are attempting to anticipate future dividends.

In contrast with the decline in Mexico, Shells remained relatively firm. Rubbers marked time. It looks as if the main factor which has been checking the market is about to disappear. The election will soon be drawing near and the Turkish situation may drag on. It is realized that provided the Allies maintain a united front Europe will not be seriously jeopardized. Finally there is a resolute attempt to stabilize the mark which may go some way toward dispelling the nightmare of depreciated European currencies.

**WEEKLY FOREIGN EXCHANGE.**

WEEK ENDED NOVEMBER 11, 1922.

**LONDON.**

Demand. Prev. Wk.

High. Low. Last. Final.

November 6. \$4.435 4.441 4.445 4.454

November 7. 4.445 4.452 4.456 4.456

November 8. 4.455 4.462 4.466 4.466

November 9. 4.465 4.472 4.476 4.476

November 10. 4.475 4.482 4.486 4.491

November 11. 4.485 4.492 4.496 4.504

Year's Range. High. \$4.504. Low. \$4.417. Jan. 3.

Cables. Prev. Wk.

High. Low. Last. Final.

November 6. 4.435 4.442 4.445 4.454

November 7. 4.445 4.452 4.456 4.456

November 8. 4.455 4.462 4.466 4.466

November 9. 4.465 4.472 4.476 4.476

November 10. 4.475 4.482 4.486 4.491

November 11. 4.485 4.492 4.496 4.504

Year's Range. High. \$4.504. Low. \$4.417. Jan. 3.

PARIS.

Demand. Prev. Wk.

High. Low. Last. Final.

November 6. \$4.15 6.605 6.605 6.641

November 7. 6.62 6.63 6.63 6.64

November 8. 6.63 6.64 6.64 6.65

November 9. 6.65 6.65 6.65 6.65

November 10. 6.67 6.67 6.67 6.67

November 11. 6.68 6.68 6.68 6.68

Year's Range. High. \$6.70. Low. \$6.15. Nov. 8.

Cables. Prev. Wk.

High. Low. Last. Final.

November 6. 6.735 6.742 6.742 6.742

November 7. 6.745 6.752 6.752 6.752

November 8. 6.755 6.762 6.762 6.762

November 9. 6.765 6.772 6.772 6.772

November 10. 6.775 6.782 6.782 6.782

November 11. 6.785 6.792 6.792 6.792

Year's Range. High. \$6.79. Low. \$6.15. Nov. 8.

BERLIN.

Demand. Prev. Wk.

High. Low. Last. Final.

November 6. 6.735 6.742 6.742 6.742

November 7. 6.745 6.752 6.752 6.752

November 8. 6.755 6.762 6.762 6.762

November 9. 6.765 6.772 6.772 6.772

November 10. 6.775 6.782 6.782 6.782

November 11. 6.785 6.792 6.792 6.792

Year's Range. High. \$6.79. Low. \$6.15. Nov. 8.

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November 6. 6.735 6.742 6.742 6.742

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November 10. 6.775 6.782 6.782 6.782

November 11. 6.785 6.792 6.792 6.792

Year's Range. High. \$6.79. Low. \$6.15. Nov. 8.

SWITZERLAND.

HOLLAND.

Demand. Cables. Demand. Cables.

November 6. 6.187 6.198 6.198 6.198

November 7. 6.198 6.205 6.205 6.205

November 8. 6.208 6.215 6.215 6.215

November 9. 6.218 6.225 6.225 6.225

November 10. 6.228 6.235 6.235 6.235

November 11. 6.238 6.245 6.245 6.245

Year's Range. High. \$6.245. Low. \$6.15. Nov. 8.

BELGIUM.

COUGAHLAN.

Demand. Cables. Demand. Cables.

November 6. 6.455 6.462 6.462 6.462

November 7. 6.465 6.472 6.472 6.472

November 8. 6.475 6.482 6.482 6.482

November 9. 6.485 6.492 6.492 6.492

November 10. 6.495 6.502 6.502 6.502

November 11. 6.505 6.512 6.512 6.512

Year's Range. High. \$6.512. Low. \$6.15. Nov. 8.

BELGIUM.

TRIANGULUM.

Demand. Cables. Demand. Cables.

November 6. 6.455 6.462 6.462 6.462

November 7. 6.465 6.472 6.472 6.472

November 8. 6.475 6.482 6.482 6.482